

Message Text

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TO AMCONSUL JOHANNESBURG

C O N F I D E N T I A L STATE 199740

FOR SWEETWOOD

FOLLOWING REPEAT LUBUMBASHI 0894 SENT ACTION SECSTATE INFO
PARIS, BRUSSELS, LONDON, KINSHASA 27 JUL 78

QUOTE C O N F I D E N T I A L LUBUMBASHI 0894

E.O. 11652: GDS

TAGS: EMIN, CG

SUBJECT: STAFFING GECAMINES AT KOLWEZI

REF: LUBUMBASHI 0819

1. SUMMARY. NO DECISIONS YET ON SUSPENDED EXPATRIATES FROM
GECAMINES KOLWEZI INSTALLATIONS. PRESIDENT MOBUTU, HOWEVER,
HAS DECIDED TO LET ZAIRIANS REMAIN AS HEADS OF KOLWEZI PLANTS
AND TO REDUCE BY 50 PERCENT TOTAL NUMBER OF EXPATRIATES WITH
COMPANY OVER UNSPECIFIED TIME PERIOD. CONFUSION LIKELY TO
COME FROM UNCLEAR RELATIONSHIP BETWEEN ZAIRIANS AND EXPATRIATES
WILL PROBABLY FURTHER REDUCE PRODUCTION DURING 1978. PRESI-
DENT MOBUTU'S CONTINUING ROLE IN GECAMINES' DECISIONS IS ALSO
A QUESTION MARK. END SUMMARY

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PAGE 02 STATE 199740

2. GECAMINES (GCM) SENIOR EXPATRIATE STATED THAT AS OF JULY
27, NO WORD HAS BEEN RECEIVED FROM KINSHASA WHETHER FORMER
KOLWEZI EXPATRIATES WERE TO BE REHIRED. AT END OF JULY, 60
DAYS WILL HAVE PASSED SINCE JUNE 1 EFFECTIVE DATE OF THE
SUSPENSION NOTICE SENT TO ALL EVACUATED KOLWEZI EXPATRI-
ATES. IF NO ACTION IS TAKEN SUSPENSION NOTICE BECOMES A
TERMINATION. DELEGATE GENERAL UMBA IS PRESENTLY IN PARIS,

PRESUMABLY DISCUSSING EMPLOYMENT ISSUES, BUT MAY NOT RETURN BEFORE THE WEEKEND. SENIOR GCM EXPATRIATES IN LUBUMBASHI BELIEVE THAT CONTRACTS WILL BE ALLOWED TO LAPSE FOR ALL FORMER KOLWEZI EMPLOYEES. GCM WOULD THEN REHIRE ON A SELECTIVE BASIS.

3. ACCORDING TO SAME EXPATRIATE SOURCES, MOBUTU HAS MADE TWO IMPORTANT DECISIONS IN PAST TWO WEEKS WHICH THEY BELIEVE WILL HAVE MAJOR IMPACT ON GCM OPERATIONS IF IMPLEMENTED. FIRST, THE PRESIDENT HAS DECIDED TO LEAVE ZAIRIANS IN CHARGE OF ALL GCM OPERATIONS IN KOLWEZI. EXPATRIATES WHEN THEY RETURN WILL HOLD SUBORDINATE AND TECHNICAL POSITIONS. SECOND, GCM WILL SEEK TO REDUCE THE TOTAL NUMBER OF EXPATRIATES IN ALL GECAMINES OPERATIONS THROUGHOUT SHABA BY 50 PERCENT OVER AN UNSPECIFIED PERIOD OF TIME. GECAMINES LONG-TERM EXPATRIATES, PARTICULARLY THOSE IN SENIOR POSITIONS, BELIEVE THAT SUCH A CUT IS AIMED DIRECTLY AT THEM. SINCE NO FURTHER DETAILS ARE AVAILABLE, MANAGEMENT CONTINUES TO HANDLE DAY-TO-DAY PROBLEMS, BUT IS MAKING NO LONGER RANGE PLANNING. THE FEELING PERSISTS THAT ALL OF THE NEXT MOVES REGARDING GECAMINES WILL BE MADE BY MOBUTU.

4. AS EXAMPLE OF INDECISION, GCM WAFFLED ON MEETING WITH IBRD SCHEDULED FOR MID-JULY IN KINSHASA WHICH OFFERED FOLLOW-UP TO JUNE 26 PARIS MEETING. IBRD SENT
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PAGE 03 STATE 199740

LETTER TO UMBA SAYING TEAM WOULD BE IN KINSHASA JULY 17-22 ON VARIETY OF MATTERS AND HOPED TO MEET WITH GCM REPS, PARTICULARLY TO DISCUSS STAFFING PROBLEM. UMBA SUGGESTED THAT SENIOR EXPATRIATE CHARLES PICQUET ATTEND MEETING. PICQUET DECLINED SAYING UMBA SHOULD ATTEND HIMSELF SINCE CENTRAL ISSUE WAS FUTURE EXPATRIATE STAFFING, A SUBJECT ABOUT WHICH PICQUET COULD OFFER LITTLE INFORMATION. IN THE END NO SENIOR GCM REP IS BELIEVED TO HAVE MET WITH IBRD DELEGATION.

5. COMMENT. NO ACTION IS LIKELY ON SUSPENDED KOLWEZI EXPATRIATES UNTIL AFTER EFFECTIVE TERMINATION DATE. REHIRING WOULD THEN BE ON SELECTIVE BASIS, PRESUMABLY THOSE WHO ARE YOUNGER, MORE TECHNICAL, AND MORE ABLE TO WORK WITH ZAIRIANS. QUESTION REMAINS WHETHER ANY NUMBER OF EXPATRIATES WILL BE WILLING TO RETURN TO KOLWEZI LET ALONE TALENTED YOUNGER PEOPLE. ALL ARE LIKELY TO BE SKEPTICAL ABOUT COMPANY OWNED BY GOVERNMENT WHICH OFFERED NO PROTECTION AND STOPPED THEIR PAY FOLLOWING TRAUMATIC EXPERIENCES OF KOLWEZI EVENTS. RECENT RESIGNATIONS FROM OTHER GCM INSTALLATIONS IN SHABA HAVE BEEN HIGHEST PRECISELY AMONG THIS YOUNGER GROUP WHICH

COMPANY WANTS TO KEEP BUT WHO SEE BRIGHTER FUTURES
ELSEWHERE.

6. ALL REPORTS INDICATE THAT PRODUCTION HAS BEEN STEADY
AT KOLWEZI FOR MONTH OF JULY, PUTTING OUTPUT OF
COPPER AND COBALT NEAR JUNE LEVELS. CONTINUING INDE-
CISION ON RESTAFFING FOR KOLWEZI IS EXPECTED TO START
HAVING IMPACT ON PRODUCTION IN AUGUST. ALL PREVIOUS
PRODUCTION ESTIMATES BASED ON RETURN OF 50-75 PERCENT OF EX-
PATRIATES TO KOLWEZI BEFORE END OF YEAR. IF EXPATRIATES
WILL ONLY HOLD TECHNICAL LEVEL POSITIONS AT KOLWEZI AND
THEIR TOTAL NUMBER THROUGHOUT SHABA WILL BE DECREASED
DURING THE COMING MONTHS, THE CONFUSION LIKELY TO RESULT
FROM MANAGEMENT UNCERTAINTIES SHOULD FURTHER DECREASE
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PAGE 04 STATE 199740

PRODUCTION. UNDER ITS ORIGINAL SCENARIO, GECAMINES
HOPED PRODUCTION WOULD EXCEED 400,000 MT OF COPPER FOR
1978. AFTER THE JUNE MEETING, THE IBRD ESTIMATED THAT
350,000 MT WAS A MORE REALISTIC 1978 FIGURE. IF THERE
ARE MAJOR DISRUPTIONS IN PERSONNEL, DURING THE COMING
MONTHS PRODUCTION COULD DROP BELOW 300,000 MT FOR THE
YEAR. IN ADDITION, THE IBRD'S RESERVATIONS ABOUT FINAN-
CING THE CONTINUATION OF THE P-2 EXPANSION PROJECT ARE
LIKELY TO GROW.

7. BROADER ISSUE OF CONTROL OF COMPANY BY PRESIDENT
MOBUTU MUST BE CONSIDERED. SINCE KOLWEZI EVENTS, ALL
MAJOR DECISIONS HAVE BEEN MADE BY MOBUTU AND CARRIED
OUT BY UMBA WHO THOUGH HE MIGHT DISAGREE HAS BEEN
HESITANT TO ASSERT HIMSELF. PERHAPS AFTER EXPATRIATE
ISSUE IS SETTLED AND DEGREE OF NORMALCY RETURNS MOBUTU
WILL RETURN DECISION MAKING TO GCM STAFF. IF THIS DOES
NOT HAPPEN, POLITICAL STYLE OF MOBUTU WHICH SEEMS TO
KEEP EVERYONE OFF BALANCE IS NOT LIKELY TO BE COMPATIBLE
WITH REASONABLY RAPID TECHNICAL AND ECONOMIC DECISIONS
WHICH GCM MUST MAKE.

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